

<DateSubmitted>

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB2179**

By: Fetgatter of the House and Garvin of the Senate

Title: Medical marijuana; licensing requirements for medical marijuana commercial growers; fees; emergency.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

**SENATE CONFEREES**

Garvin \_\_\_\_\_  
Paxton \_\_\_\_\_  
Leewright \_\_\_\_\_  
Taylor \_\_\_\_\_  
Rosino \_\_\_\_\_  
Dossett (J.J.) \_\_\_\_\_

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 2179

By: Fetgatter and McDugle of  
the House

and

7 Garvin and Stephens of the  
8 Senate

9  
10  
11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to medical marijuana; amending 63  
13 O.S. 2021, Sections 421, 422, and 423, which relate  
14 to licensing requirements for medical marijuana  
15 dispensaries, commercial growers, and processors;  
16 modifying application fee for medical marijuana  
17 dispensaries; providing statutory reference for  
18 certain application fees; updating language; amending  
19 63 O.S. 2021, Section 427.14, which relates to the  
20 Oklahoma Medical Marijuana and Patient Protection  
21 Act; establishing tiered licensing fees for medical  
22 marijuana commercial growers and processors;  
23 modifying application fees for medical marijuana  
24 dispensaries and laboratories; defining terms;  
updating language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is  
amended to read as follows:

1 Section 421. A. The ~~State Department of Health~~ Oklahoma  
2 Medical Marijuana Authority shall, ~~within thirty (30) days of~~  
3 ~~passage of this initiative,~~ make available on its website in an  
4 easy-to-find location an application for a medical marijuana  
5 dispensary license. The application fee to be paid by the applicant  
6 shall be ~~Two Thousand Five Hundred Dollars (\$2,500.00)~~ in the  
7 amounts provided for in Section 427.14 of this title. A method of  
8 payment for the application fee shall be provided on the website of  
9 the ~~Department~~ Authority. Dispensary applicants must all be  
10 residents of Oklahoma. Any entity applying for a dispensary license  
11 must be owned by an Oklahoma resident and must be registered to do  
12 business in Oklahoma. The ~~Department~~ Authority shall have ninety  
13 (90) business days to review the application; approve, reject or  
14 deny the application; and mail the approval, rejection or denial  
15 letter stating reasons for the rejection or denial to the applicant.

16 B. The ~~State Department of Health~~ Authority shall approve all  
17 applications which meet the following criteria:

18 1. The applicant must be twenty-five (25) years of age or  
19 older;

20 2. The applicant, if applying as an individual, must show  
21 residency in the State of Oklahoma;

22 3. All applying entities must show that all members, managers,  
23 and board members are Oklahoma residents;

24

1 4. An applying entity may show ownership of non-Oklahoma  
2 residents, but that percentage ownership may not exceed twenty-five  
3 percent (25%);

4 5. All applying individuals or entities must be registered to  
5 conduct business in the State of Oklahoma; and

6 6. All applicants must disclose all ownership interests in the  
7 dispensary.

8 Applicants with a nonviolent felony conviction in the last two  
9 (2) years, any other felony conviction in the last five (5) years,  
10 inmates in the custody of the Department of Corrections or any  
11 person currently incarcerated shall not qualify for a medical  
12 marijuana dispensary license.

13 C. Licensed medical marijuana dispensaries shall be required to  
14 complete a monthly sales report to the ~~State Department of Health~~  
15 Authority. This report shall be due on the fifteenth of each month  
16 and provide reporting on the previous month. This report shall  
17 detail the weight of marijuana purchased at wholesale and the weight  
18 of marijuana sold to licensed medical marijuana patients and  
19 licensed caregivers and account for any waste. The report shall  
20 show total sales in dollars, tax collected in dollars, and tax due  
21 in dollars. The ~~State Department of Health~~ Authority shall have  
22 oversight and auditing responsibilities to ensure that all marijuana  
23 being grown is accounted for.

1 D. Only a licensed medical marijuana dispensary may conduct  
2 retail sales of marijuana or marijuana derivatives. Beginning on  
3 the effective date of this act, licensed medical marijuana  
4 dispensaries shall be authorized to package and sell pre-rolled  
5 marijuana to licensed medical marijuana patients and licensed  
6 caregivers. The products described in this subsection shall contain  
7 only the ground parts of the marijuana plant and shall not include  
8 marijuana concentrates or derivatives. The total net weight of each  
9 pre-roll packaged and sold by a medical marijuana dispensary shall  
10 not exceed one (1) gram. These products shall be tested, packaged  
11 and labeled in accordance with Oklahoma law and rules promulgated by  
12 the ~~State Commissioner of Health~~ Authority.

13 E. No medical marijuana dispensary shall offer or allow a  
14 medical marijuana patient licensee, caregiver licensee or other  
15 member of the public to handle or otherwise have physical contact  
16 with any medical marijuana not contained in a sealed or separate  
17 package. Provided, such prohibition shall not preclude an employee  
18 of the medical marijuana dispensary from handling loose or  
19 nonpackaged medical marijuana to be placed in packaging consistent  
20 with the Oklahoma Medical Marijuana and Patient Protection Act and  
21 the rules promulgated by the Authority for the packaging of medical  
22 marijuana for retail sale. Provided, further, such prohibition  
23 shall not prevent a medical marijuana dispensary from displaying  
24 samples of its medical marijuana in separate display cases, jars or

1 other containers and allowing medical marijuana patient licensees  
2 and caregiver licensees the ability to handle or smell the various  
3 samples as long as the sample medical marijuana is used for display  
4 purposes only and is not offered for retail sale.

5 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is  
6 amended to read as follows:

7 Section 422. A. ~~The State Department of Health shall, within~~  
8 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
9 Marijuana Authority shall make available on its website in an easy-  
10 to-find location an application for a medical marijuana commercial  
11 grower license. The application fee shall be ~~Two Thousand Five~~  
12 ~~Hundred Dollars (\$2,500.00)~~ paid by the applicant in the amounts  
13 provided for in Section 427.14 of this title. A method of payment  
14 for the application fee shall be provided on the website of the  
15 ~~Department~~ Authority. ~~The State Department of Health~~ Authority  
16 shall have ninety (90) days to review the application; approve,  
17 reject or deny the application; and mail the approval, rejection or  
18 denial letter stating the reasons for the rejection or denial to the  
19 applicant.

20 B. ~~The State Department of Health~~ Authority shall approve all  
21 applications which meet the following criteria:

22 1. The applicant must be twenty-five (25) years of age or  
23 older;

24

1        2. The applicant, if applying as an individual, must show  
2 residency in the State of Oklahoma;

3        3. All applying entities must show that all members, managers,  
4 and board members are Oklahoma residents;

5        4. An applying entity may show ownership of non-Oklahoma  
6 residents, but that percentage ownership may not exceed twenty-five  
7 percent (25%);

8        5. All applying individuals or entities must be registered to  
9 conduct business in the State of Oklahoma; and

10       6. All applicants must disclose all ownership interests in the  
11 commercial grower operation.

12       Applicants with a nonviolent felony conviction in the last two  
13 (2) years, any other felony conviction in the last five (5) years,  
14 inmates in the custody of the Department of Corrections or any  
15 person currently incarcerated shall not qualify for a commercial  
16 grower license.

17       C. A licensed medical marijuana commercial grower may sell  
18 marijuana to a licensed medical marijuana dispensary or a licensed  
19 medical marijuana processor. Further, sales by a licensed medical  
20 marijuana commercial grower shall be considered wholesale sales and  
21 shall not be subject to taxation. Under no circumstances may a  
22 licensed medical marijuana commercial grower sell marijuana directly  
23 to a licensed medical marijuana patient or licensed medical  
24 marijuana caregiver. A licensed medical marijuana commercial grower



1 may only sell at the wholesale level to a licensed medical marijuana  
2 dispensary, a licensed medical marijuana commercial grower or a  
3 licensed medical marijuana processor. If the federal government  
4 lifts restrictions on buying and selling marijuana between states,  
5 then a licensed medical marijuana commercial grower would be allowed  
6 to sell and buy marijuana wholesale from, or to, an out-of-state  
7 wholesale provider. A licensed medical marijuana commercial grower  
8 shall be required to complete a monthly yield and sales report to  
9 the ~~State Department of Health~~ Authority. This report shall be due  
10 on the fifteenth of each month and provide reporting on the previous  
11 month. This report shall detail the amount of marijuana harvested  
12 in pounds, the amount of drying or dried marijuana on hand, the  
13 amount of marijuana sold to licensed processors in pounds, the  
14 amount of waste in pounds, and the amount of marijuana sold to  
15 licensed medical marijuana dispensaries in pounds. Additionally,  
16 this report shall show total wholesale sales in dollars. The ~~State~~  
17 ~~Department of Health~~ Authority shall have oversight and auditing  
18 responsibilities to ensure that all marijuana being grown by  
19 licensed medical marijuana commercial growers is accounted for.

20 D. There shall be no limits on how much marijuana a licensed  
21 medical marijuana commercial grower can grow.

22 E. Beginning on the effective date of this act, licensed  
23 medical marijuana commercial growers shall be authorized to package  
24 and sell pre-rolled marijuana to licensed medical marijuana

1 dispensaries. The products described in this subsection shall  
2 contain only the ground parts of the marijuana plant and shall not  
3 include marijuana concentrates or derivatives. The total net weight  
4 of each pre-roll packaged and sold by licensed medical marijuana  
5 commercial growers shall not exceed one (1) gram. These products  
6 must be tested, packaged and labeled in accordance with Oklahoma law  
7 and rules promulgated by the ~~State Commissioner of Health~~ Authority.

8 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is  
9 amended to read as follows:

10 Section 423. A. The ~~State Department of Health~~ Oklahoma  
11 Medical Marijuana Authority shall, ~~within thirty (30) days of~~  
12 ~~passage of this initiative,~~ make available on its website in an  
13 easy-to-find location an application for a medical marijuana  
14 processing license. The ~~Department~~ Authority shall be authorized to  
15 issue two types of medical marijuana processor licenses based on the  
16 level of risk posed by the type of processing conducted:

- 17 1. Nonhazardous medical marijuana processor license; and
- 18 2. Hazardous medical marijuana processor license.

19 The application fee for a nonhazardous or hazardous medical  
20 marijuana processor license shall be ~~Two Thousand Five Hundred~~  
21 ~~Dollars (\$2,500.00)~~ paid by the applicant in the amounts provided  
22 for in Section 427.14 of this title. A method of payment shall be  
23 provided on the website of the ~~Department~~ Authority. The ~~State~~  
24 ~~Department of Health~~ Authority shall have ninety (90) days to review

1 the application; approve, reject or deny the application; and mail  
2 the approval, rejection or denial letter stating the reasons for the  
3 rejection or denial to the applicant.

4 B. The ~~State Department of Health~~ Authority shall approve all  
5 applications which meet the following criteria:

6 1. The applicant must be twenty-five (25) years of age or  
7 older;

8 2. The applicant, if applying as an individual, must show  
9 residency in the State of Oklahoma;

10 3. All applying entities must show that all members, managers,  
11 and board members are Oklahoma residents;

12 4. An applying entity may show ownership of non-Oklahoma  
13 residents, but that percentage ownership may not exceed twenty-five  
14 percent (25%);

15 5. All applying individuals or entities must be registered to  
16 conduct business in the State of Oklahoma; and

17 6. All applicants must disclose all ownership interests in the  
18 processing operation.

19 Applicants with a nonviolent felony conviction in the last two  
20 (2) years, any other felony conviction in the last five (5) years,  
21 inmates in the custody of the Department of Corrections or any  
22 person currently incarcerated shall not qualify for a medical  
23 marijuana processing license.

24

1 C. 1. A licensed processor may take marijuana plants and  
2 distill or process these plants into concentrates, edibles, and  
3 other forms for consumption.

4 2. As required by subsection D of this section, the ~~State~~  
5 ~~Department of Health Authority~~ shall, ~~within sixty (60) days of~~  
6 ~~passage of this initiative,~~ make available a set of standards which  
7 shall be used by licensed processors in the preparation of edible  
8 marijuana products. The standards should be in line with current  
9 food preparation guidelines. No excessive or punitive rules may be  
10 established by the ~~State Department of Health Authority~~.

11 3. Up to two times a year, the ~~State Department of Health~~  
12 ~~Authority~~ may inspect a processing operation and determine its  
13 compliance with the preparation standards. If deficiencies are  
14 found, a written report of the deficiency shall be issued to the  
15 licensed processor. The licensed processor shall have one (1) month  
16 to correct the deficiency or be subject to a fine of Five Hundred  
17 Dollars (\$500.00) for each deficiency.

18 4. A licensed processor may sell marijuana products it creates  
19 to a licensed dispensary or any other licensed processor. All sales  
20 by a licensed processor shall be considered wholesale sales and  
21 shall not be subject to taxation.

22 5. Under no circumstances may a licensed processor sell  
23 marijuana or any marijuana product directly to a licensed medical  
24 marijuana patient or licensed caregiver. However, a licensed

1 processor may process cannabis into a concentrated form for a  
2 licensed medical marijuana patient for a fee.

3 6. Licensed processors shall be required to complete a monthly  
4 yield and sales report to the ~~State Department of Health~~ Authority.  
5 This report shall be due on the fifteenth of each month and shall  
6 provide reporting on the previous month. This report shall detail  
7 the amount of marijuana and medical marijuana products purchased in  
8 pounds, the amount of marijuana cooked or processed in pounds, and  
9 the amount of waste in pounds. Additionally, this report shall show  
10 total wholesale sales in dollars. The ~~State Department of Health~~  
11 Authority shall have oversight and auditing responsibilities to  
12 ensure that all marijuana being processed is accounted for.

13 D. The ~~Department~~ Authority shall oversee the inspection and  
14 compliance of licensed processors producing products with marijuana  
15 as an additive. The ~~State Department of Health~~ Authority shall be  
16 compelled to, within thirty (30) days of passage of this initiative,  
17 appoint twelve (12) Oklahoma residents to the Medical Marijuana  
18 Advisory Council, who are marijuana industry experts, to create a  
19 list of food safety standards for processing and handling medical  
20 marijuana in Oklahoma. These standards shall be adopted by the  
21 ~~Department~~ Authority and the ~~Department~~ Authority may enforce these  
22 standards for licensed processors. The ~~Department~~ Authority shall  
23 develop a standards review procedure and these standards can be  
24 altered by calling another council of twelve (12) Oklahoma marijuana

1 industry experts. A signed letter of twenty operating, licensed  
2 processors shall constitute a need for a new council and standards  
3 review.

4 E. If it becomes permissible under federal law, marijuana may  
5 be moved across state lines.

6 F. Any device used for the processing or consumption of medical  
7 marijuana shall be considered legal to be sold, manufactured,  
8 distributed and possessed. No merchant, wholesaler, manufacturer or  
9 individual may be unduly harassed or prosecuted for selling,  
10 manufacturing or possessing marijuana paraphernalia.

11 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.14, is  
12 amended to read as follows:

13 Section 427.14 A. There is hereby created the medical  
14 marijuana business license, which shall include the following  
15 categories:

- 16 1. Medical marijuana commercial grower;
- 17 2. Medical marijuana processor;
- 18 3. Medical marijuana dispensary;
- 19 4. Medical marijuana transporter; and
- 20 5. Medical marijuana testing laboratory.

21 B. The Oklahoma Medical Marijuana Authority, with the aid of  
22 the Office of Management and Enterprise Services, shall develop a  
23 website for medical marijuana business applications.

24

1 C. The Authority shall make available on its website in an  
2 easy-to-find location, applications for a medical marijuana  
3 business.

4 D. The 1. Except as provided in paragraphs 2, 3, 4, and 5 of  
5 this subsection, the annual, nonrefundable application fee for a  
6 medical marijuana business license shall be Two Thousand Five  
7 Hundred Dollars (\$2,500.00).

8 2. The initial, nonrefundable application fee for a medical  
9 marijuana commercial grower shall be calculated based upon the total  
10 amount of square feet of canopy or acres the grower estimates will  
11 be harvested for the year. The amount of the fee shall be  
12 determined as follows:

13 a. For an indoor, greenhouse or light deprivation medical  
14 marijuana grow facility:

15 (1) Tier 1: Up to ten thousand (10,000) square feet  
16 of canopy, the fee shall be Two Thousand Five  
17 Hundred Dollars (\$2,500.00),

18 (2) Tier 2: Ten thousand and one (10,001) square  
19 feet of canopy to twenty thousand (20,000) square  
20 feet of canopy, the fee shall be Five Thousand  
21 Dollars (\$5,000.00),

22 (3) Tier 3: Twenty thousand and one (20,001) square  
23 feet of canopy to forty thousand (40,000) square  
24

1                   feet of canopy, the fee shall be Ten Thousand  
2                   Dollars (\$10,000.00),

3           (4) Tier 4: Forty thousand and one (40,001) square  
4           feet of canopy to sixty thousand (60,000) square  
5           feet of canopy, the fee shall be Twenty Thousand  
6           Dollars (\$20,000.00),

7           (5) Tier 5: Sixty thousand and one (60,001) square  
8           feet of canopy to eighty thousand (80,000) square  
9           feet of canopy, the fee shall be Thirty Thousand  
10           Dollars (\$30,000.00),

11           (6) Tier 6: Eighty thousand and one (80,001) square  
12           feet of canopy up to one hundred thousand  
13           (100,000) square feet of canopy, the fee shall be  
14           Forty Thousand Dollars (\$40,000.00),

15           (7) Tier 7: One hundred thousand (100,000) square  
16           feet of canopy, the fee shall be Fifty Thousand  
17           Dollars (\$50,000.00), and

18           (8) Tier 8: If the amount of canopy exceeds one  
19           hundred thousand (100,000) square feet, the fee  
20           shall be Fifty Thousand Dollars (\$50,000.00) plus  
21           an additional twenty-five cents (\$0.25) per  
22           square foot of canopy.

23           b. For an outdoor medical marijuana grow facility:  
24



- 1           (1) Tier 1: Up to two and one-half (2 1/2) acres,  
2           the fee shall be Two Thousand Five Hundred  
3           Dollars (\$2,500.00),
- 4           (2) Tier 2: Two and one-half (2 1/2) acres up to  
5           five (5) acres, the fee shall be Five Thousand  
6           Dollars (\$5,000.00),
- 7           (3) Tier 3: Five (5) acres up to ten (10) acres, the  
8           fee shall be Ten Thousand Dollars (\$10,000.00),
- 9           (4) Tier 4: Ten (10) acres up to twenty (20) acres,  
10           the fee shall be Twenty Thousand Dollars  
11           (\$20,000.00),
- 12           (5) Tier 5: Twenty (20) acres up to thirty (30)  
13           acres, the fee shall be Thirty Thousand Dollars  
14           (\$30,000.00),
- 15           (6) Tier 6: Thirty (30) acres up to forty (40)  
16           acres, the fee shall be Forty Thousand Dollars  
17           (\$40,000.00),
- 18           (7) Tier 7: Forty (40) acres up to fifty (50) acres,  
19           the fee shall be Fifty Thousand Dollars  
20           (\$50,000.00), and
- 21           (8) Tier 8: If the amount of acreage exceeds fifty  
22           (50) acres, the fee shall be Fifty Thousand  
23           Dollars (\$50,000.00) plus an additional Two  
24           Hundred Fifty Dollars (\$250.00) per acre.

1        c. For a medical marijuana commercial grower that has a  
2        combination of both indoor and outdoor growing  
3        facilities at one location, the medical marijuana  
4        commercial grower shall be required to obtain a  
5        separate license from the Authority for each type of  
6        grow operation and shall be subject to the licensing  
7        fees provided for in subparagraphs a and b of this  
8        paragraph.

9        d. Subsequent to the issuance of an initial medical  
10       marijuana commercial grower license, the annual,  
11       nonrefundable license fee shall thereafter be  
12       determined by the Authority based upon the total  
13       amount of square feet of canopy harvested by the  
14       grower during the previous twelve (12) months.

15       e. As used in this paragraph:

16       (1) "canopy" means the total surface area within a  
17       cultivation area that is dedicated to the  
18       cultivation of flowering marijuana plants. The  
19       surface area of the plant canopy must be  
20       calculated in square feet and measured and must  
21       include all of the area within the boundaries  
22       where the cultivation of the flowering marijuana  
23       plants occurs. If the surface of the plant  
24       canopy consists of noncontiguous areas, each

1 component area must be separated by identifiable  
2 boundaries. If a tiered or shelving system is  
3 used in the cultivation area, the surface area of  
4 each tier or shelf must be included in  
5 calculating the area of the plant canopy.  
6 Calculation of the area of the plant canopy may  
7 not include the areas within the cultivation area  
8 that are used to cultivate immature marijuana  
9 plants and seedlings, prior to flowering, and  
10 that are not used at any time to cultivate mature  
11 marijuana plants. If the flowering plants are  
12 vertically grown in cylinders, the square footage  
13 of the canopy shall be measured by the  
14 circumference of the cylinder multiplied by the  
15 total length of the cylinder,

16 (2) "greenhouse" means a structure located outdoors  
17 that is completely covered by a material that  
18 allows a controlled level of light transmission,  
19 and

20 (3) "light deprivation" means a structure that has  
21 concrete floors and the ability to manipulate  
22 natural light.

23 3. The nonrefundable application fee and annual fee for a  
24 medical marijuana processor license shall be as follows:

1           a. Tier 1: Up to two thousand (2,000) pounds of dried  
2           biomass marijuana material, the application fee shall  
3           be Two Thousand Dollars (\$2,000.00). The annual,  
4           nonrefundable license fee shall be Three Thousand Five  
5           Hundred Dollars (\$3,500.00),

6           b. Tier 2: Two thousand and one (2,001) pounds to not  
7           more than three thousand (3,000) pounds of dried  
8           biomass marijuana material, the application fee shall  
9           be Two Thousand Five Hundred Dollars (\$2,500.00). The  
10           annual, nonrefundable license fee shall be Five  
11           Thousand Dollars (\$5,000.00), and

12           c. Tier 3: Three thousand and one (3,001) pounds and  
13           beyond of dried biomass marijuana material, the  
14           application fee shall be Fifteen Thousand Dollars  
15           (\$15,000.00). The annual, nonrefundable license fee  
16           shall be Twenty Thousand Dollars (\$20,000.00).

17           4. The initial application fee for a medical marijuana  
18           dispensary license shall be Two Thousand Five Hundred Dollars  
19           (\$2,500.00). The annual, nonrefundable application fee for a  
20           medical marijuana dispensary license shall be calculated at ten  
21           percent (10%) of the sum of twelve calendar months of the combined  
22           annual sales tax and excise tax of the dispensary. The minimum fee  
23           shall be not less than Two Thousand Five Hundred Dollars (\$2,500.00)  
24

1 and the maximum fee shall not exceed Ten Thousand Dollars  
2 (\$10,000.00).

3 5. The annual, nonrefundable application fee for a medical  
4 marijuana testing laboratory license shall be Twenty Thousand  
5 Dollars (\$20,000.00).

6 E. All applicants seeking licensure or licensure renewal as a  
7 medical marijuana business shall comply with the following general  
8 requirements:

9 1. All applications for licenses and registrations authorized  
10 pursuant to this section shall be made upon forms prescribed by the  
11 Authority;

12 2. Each application shall identify the city or county in which  
13 the applicant seeks to obtain licensure as a medical marijuana  
14 business;

15 3. Applicants shall submit a complete application to the  
16 ~~Department~~ Authority before the application may be accepted or  
17 considered;

18 4. All applications shall be complete and accurate in every  
19 detail;

20 5. All applications shall include all attachments or  
21 supplemental information required by the forms supplied by the  
22 Authority;

23  
24

1       6. All applications shall be accompanied by a full remittance  
2 for the whole amount of the application fees. Application fees are  
3 nonrefundable;

4       7. All applicants shall be approved for licensing review that,  
5 at a minimum, meets the following criteria:

- 6           a. twenty-five (25) years of age or older,
- 7           b. if applying as an individual, proof that the applicant  
8           is an Oklahoma resident pursuant to paragraph 11 of  
9           this subsection,
- 10          c. if applying as an entity, proof that seventy-five  
11          percent (75%) of all members, managers, executive  
12          officers, partners, board members or any other form of  
13          business ownership are Oklahoma residents pursuant to  
14          paragraph 11 of this subsection,
- 15          d. if applying as an individual or entity, proof that the  
16          individual or entity is registered to conduct business  
17          in the State of Oklahoma,
- 18          e. disclosure of all ownership interests pursuant to the  
19          Oklahoma Medical Marijuana and Patient Protection Act,  
20          and
- 21          f. proof that the medical marijuana business, medical  
22          marijuana research facility, medical marijuana  
23          education facility and medical marijuana waste  
24          disposal facility applicant or licensee has not been

1 convicted of a nonviolent felony in the last two (2)  
2 years, or any other felony conviction within the last  
3 five (5) years, is not a current inmate in the custody  
4 of the Department of Corrections, or currently  
5 incarcerated in a jail or corrections facility;

6 8. There shall be no limit to the number of medical marijuana  
7 business licenses or categories that an individual or entity can  
8 apply for or receive, although each application and each category  
9 shall require a separate application and application fee. A  
10 commercial grower, processor and dispensary, or any combination  
11 thereof, are authorized to share the same address or physical  
12 location, subject to the restrictions set forth in the Oklahoma  
13 Medical Marijuana and Patient Protection Act;

14 9. All applicants for a medical marijuana business license,  
15 research facility license or education facility license authorized  
16 by the Oklahoma Medical Marijuana and Patient Protection Act, or for  
17 a renewal of such license, shall undergo an Oklahoma criminal  
18 history background check conducted by the Oklahoma State Bureau of  
19 Investigation (OSBI) within thirty (30) days prior to the  
20 application for the license, including:

- 21 a. individual applicants applying on their own behalf,
- 22 b. individuals applying on behalf of an entity,
- 23 c. all principal officers of an entity, and

1           d.    all owners of an entity as defined by the Oklahoma  
2                    Medical Marijuana and Patient Protection Act;

3           10. All applicable fees charged by the OSBI are the  
4 responsibility of the applicant and shall not be higher than fees  
5 charged to any other person or industry for such background checks;

6           11. In order to be considered an Oklahoma resident for purposes  
7 of a medical marijuana business application, all applicants shall  
8 provide proof of Oklahoma residency for at least two (2) years  
9 immediately preceding the date of application or five (5) years of  
10 continuous Oklahoma residency during the preceding twenty-five (25)  
11 years immediately preceding the date of application. Sufficient  
12 documentation of proof of residency shall include a combination of  
13 the following:

- 14           a.    an unexpired Oklahoma-issued driver license,
- 15           b.    an Oklahoma identification card,
- 16           c.    a utility bill preceding the date of application,  
17                    excluding cellular telephone and Internet bills,
- 18           d.    a residential property deed to property in the State  
19                    of Oklahoma, and
- 20           e.    a rental agreement preceding the date of application  
21                    for residential property located in the State of  
22                    Oklahoma.



1 Applicants that were issued a medical marijuana business license  
2 prior to August 30, 2019, are hereby exempt from the two-year or  
3 five-year Oklahoma residence requirement mentioned above;

4 12. All license applicants shall be required to submit a  
5 registration with the Oklahoma State Bureau of Narcotics and  
6 Dangerous Drugs Control as provided in Sections 2-302 through 2-304  
7 of this title;

8 13. All applicants shall establish their identity through  
9 submission of a color copy or digital image of one of the following  
10 unexpired documents:

- 11 a. front of an Oklahoma driver license,
- 12 b. front of an Oklahoma identification card,
- 13 c. a United States passport or other photo identification  
14 issued by the United States government, or
- 15 d. a tribal identification card approved for  
16 identification purposes by the Oklahoma Department of  
17 Public Safety; and

18 14. All applicants shall submit an applicant photograph.

19 F. The Authority shall review the medical marijuana business  
20 application; approve, reject or deny the application; and mail the  
21 approval, rejection, denial or status-update letter to the applicant  
22 within ninety (90) business days of receipt of the application.

1 G. 1. The Authority shall review the medical marijuana  
2 business applications and conduct all investigations, inspections  
3 and interviews before approving the application.

4 2. Approved applicants shall be issued a medical marijuana  
5 business license for the specific category applied under, which  
6 shall act as proof of their approved status. Rejection and denial  
7 letters shall provide a reason for the rejection or denial.  
8 Applications may only be rejected or denied based on the applicant  
9 not meeting the standards set forth in the provisions of the  
10 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
11 420 through 426.1 of this title, improper completion of the  
12 application, or for a reason provided for in the Oklahoma Medical  
13 Marijuana and Patient Protection Act and Sections 420 through 426.1  
14 of this title. If an application is rejected for failure to provide  
15 required information, the applicant shall have thirty (30) days to  
16 submit the required information for reconsideration. No additional  
17 application fee shall be charged for such reconsideration. Unless  
18 the ~~Department~~ Authority determines otherwise, an application that  
19 has been resubmitted but is still incomplete or contains errors that  
20 are not clerical or typographical in nature shall be denied.

21 3. Status-update letters shall provide a reason for delay in  
22 either approval, rejection or denial should a situation arise in  
23 which an application was submitted properly but a delay in  
24 processing the application occurred.

1 4. Approval, rejection, denial or status-update letters shall  
2 be sent to the applicant in the same method the application was  
3 submitted to the ~~Department~~ Authority.

4 H. A license for a medical marijuana business, medical  
5 marijuana research facility, medical marijuana education facility or  
6 medical marijuana waste disposal facility shall not be issued to or  
7 held by:

8 1. A person until all required fees have been paid;

9 2. A person who has been convicted of a nonviolent felony  
10 within two (2) years of the date of application, or within five (5)  
11 years for any other felony;

12 3. A corporation, if the criminal history of any of its  
13 officers, directors or stockholders indicates that the officer,  
14 director or stockholder has been convicted of a nonviolent felony  
15 within two (2) years of the date of application, or within five (5)  
16 years for any other felony;

17 4. A person under twenty-five (25) years of age;

18 5. A person licensed pursuant to this section who, during a  
19 period of licensure, or who, at the time of application, has failed  
20 to:

21 a. file taxes, interest or penalties due related to a  
22 medical marijuana business, or

23 b. pay taxes, interest or penalties due related to a  
24 medical marijuana business;

1       6. A sheriff, deputy sheriff, police officer or prosecuting  
2 officer, or an officer or employee of the Authority or municipality;

3       7. A person whose authority to be a caregiver, as defined in  
4 Section 427.2 of this title, has been revoked by the ~~Department~~  
5 Authority; or

6       8. A person who was involved in the management or operations of  
7 any medical marijuana business, medical marijuana research facility,  
8 medical marijuana education facility or medical marijuana waste  
9 disposal facility that, after the initiation of a disciplinary  
10 action, has had a medical marijuana license revoked, not renewed, or  
11 surrendered during the five (5) years preceding submission of the  
12 application and for the following violations:

- 13           a. unlawful sales or purchases,
- 14           b. any fraudulent acts, falsification of records or  
15           misrepresentation to the Authority, medical marijuana  
16           patient licensees, caregiver licensees or medical  
17           marijuana business licensees,
- 18           c. any grossly inaccurate or fraudulent reporting,
- 19           d. threatening or harming any medical marijuana patient,  
20           caregiver, medical practitioner or employee of the  
21           ~~Department~~ Authority,
- 22           e. knowingly or intentionally refusing to permit the  
23           ~~Department~~ Authority access to premises or records,

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- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

I. In investigating the qualifications of an applicant or a licensee, the ~~Department,~~ Authority and municipalities may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such an agency.

J. The failure of an applicant or licensee to provide the requested information by the Authority deadline may be grounds for denial of the application.

K. All applicants and licensees shall submit information to the ~~Department and~~ Authority in a full, faithful, truthful and fair manner. The ~~Department and~~ Authority may recommend denial of an application where the applicant or licensee made misstatements, omissions, misrepresentations or untruths in the application or in connection with the background investigation of the applicant. This type of conduct may be grounds for administrative action against the applicant or licensee. Typos and scrivener errors shall not be grounds for denial.

1 L. A licensed medical marijuana business premises shall be  
2 subject to and responsible for compliance with applicable provisions  
3 consistent with the zoning where such business is located as  
4 described in the most recent versions of the Oklahoma Uniform  
5 Building Code, the International Building Code and the International  
6 Fire Code, unless granted an exemption by a municipality or  
7 appropriate code enforcement entity.

8 M. All medical marijuana business, medical marijuana research  
9 facility, medical marijuana education facility and medical marijuana  
10 waste disposal facility licensees shall pay the relevant licensure  
11 fees prior to receiving licensure to operate.

12 N. A medical marijuana business, medical marijuana research  
13 facility, medical marijuana education facility or medical marijuana  
14 waste disposal facility that attempts to renew its license after the  
15 expiration date of the license shall pay a late renewal fee in an  
16 amount to be determined by the ~~Department~~ Authority to reinstate the  
17 license. Late renewal fees are nonrefundable. A license that has  
18 been expired for more than ninety (90) days shall not be renewed.

19 O. No medical marijuana business, medical marijuana research  
20 facility, medical marijuana education facility or medical marijuana  
21 waste disposal facility shall possess, sell or transfer medical  
22 marijuana or medical marijuana products without a valid, unexpired  
23 license issued by the ~~Department~~ Authority.

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SECTION 5. This act shall become effective October 1, 2022.

58-2-11533      GRS      05/16/22